

# THE CITY OF NORFOLK



To the Honorable Council  
City of Norfolk, Virginia

November 24, 2020

**From:** Trista Pope  
Acting Director, Office of Real Estate

**Subject:** 1st Amendment to Lease Agmt-  
Hornblower Cruises @ Otter Berth

**Reviewed:**

Wynter C. Benda, Chief Deputy  
City Manager

**Ward/Superward:** 2/6

**Approved:**

Dr. Larry H. Filer II, City Manager

**Item Number:** R-8

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** Hornblower Cruises and Events, LLC  
5700 Lake Wright Drive #203  
Norfolk, VA 23502

III. **Description:**

This agenda item is an ordinance approving a First Amendment to Lease Agreement between the City of Norfolk (the "City") and Hornblower Cruises and Events, LLC, formerly known as Spirit Cruises, LLC, ("Hornblower"), for the Lessee's use of a portion of the City's waterfront area for docking and berthing of its vessel, Spirit of Norfolk, in Norfolk, Virginia.

IV. **Analysis**

The City entered into a lease agreement with Spirit Cruises, LLC that commenced November 1, 2007 for the lessee's use of a portion of the City's waterfront area commonly known as the Otter Berth for docking and berthing Spirit's vessel, the Spirit of Norfolk. On March 9, 2020, Spirit Cruises, LLC commenced doing business as Hornblower Cruises and Events, LLC. Due to the COVID-19 pandemic, and the business challenges faced, Hornblower has requested a deferral of rents due to the City. The deferred rent includes monthly payment from April, 2020 through July, 2020, and September, 2020 through March 2021.

**V. Financial Impact**

The deferred rent includes monthly payment from April, 2020 through July, 2020, and September, 2020 through March 2021. The deferred rent totals \$31,879.91. The deferred payments will be payable in equal installments, in addition to all other amount then due under the lease agreement, commencing on April 1, 2021.

**VI. Environmental**

There are no known environmental issues associated with this property.

**VII. Community Outreach/Notification**

Public notification for this agenda item was conducted through the City's agenda notification process.

**VIII. Board/Commission Action**

N/A

**IX. Coordination/Outreach**

This letter and ordinance have been coordinated with the Office of Real Estate and the City Attorney's Office.

**Supporting Material:**

- Aerial Map - Otter Berth (JPG)
- EX A-tpFirst Amend to Lease Agmt-CON\_Hornblower Cruises Events-Otter Berth-v.1 (003) (PDF)

Form and Correctness Approved: *BAP*

Contents Approved:

By: \_\_\_\_\_  
Office of the City AttorneyBy: \_\_\_\_\_  
DEPT. Real Estate

NORFOLK, VIRGINIA

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**Ordinance No.**

AN ORDINANCE APPROVING A FIRST AMENDMENT TO LEASE AGREEMENT BETWEEN THE CITY OF NORFOLK, AS LESSOR, AND HORNBLOWER CRUISES AND EVENTS, LLC, FORMERLY KNOWN AS SPIRIT CRUISES, LLC, AS LESSEE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST AMENDMENT TO LEASE AGREEMENT ON BEHALF OF THE CITY OF NORFOLK.

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WHEREAS, the City of Norfolk, as lessor, and Spirit Cruises, LLC, as lessee, entered into that certain Lease Agreement dated November 1, 2007 (the "Lease") for the lessee's use of a portion of the City's waterfront area commonly known as the Otter Berth for docking and berthing the lessee's vessel, the Spirit of Norfolk;

WHEREAS, effective as of March 9, 2020, the lessee commenced doing business as Hornblower Cruises and Events, LLC; and

WHEREAS, because of business challenges faced as a result of the COVID-19 pandemic, the lessee has requested a deferral of rents due to the City pursuant to the Lease; NOW THEREFORE,

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the First Amendment to Lease Agreement (the "Amendment") between the City of Norfolk and Hornblower Cruises and Events, LLC, formerly known as Spirit Cruises, LLC, a copy of which is attached hereto as Exhibit A, is hereby approved.

Section 2:- That the City Manager and other proper officers of the City are authorized to execute the Amendment for and on behalf of the City, and to do all things necessary and proper to carry out its terms.

Section 3:- That the City Manager is further authorized to correct, amend or revise the Amendment as may be necessary in order to carry out the intent of the Council as expressed in this ordinance.

Section 4:- That this ordinance shall be in effect from and after the date of its adoption.

Attachment:

Exhibit A - First Amendment to Lease Agreement

# FIRST AMENDMENT TO LEASE AGREEMENT

City of Norfolk / Hornblower Cruises and Events, LLC

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("Amendment") is entered into as of the 24th day of November, 2020, by and between the CITY OF NORFOLK, a municipal corporation of the Commonwealth of Virginia ("City"), and HORNBLOWER CRUISES AND EVENTS, LLC, a Delaware limited liability company, formerly known as Spirit Cruises, LLC ("Lessee").

## WITNESSETH:

WHEREAS, City and Spirit Cruises, LLC entered into that certain Lease Agreement, dated November 1, 2007, (the "Lease") for Lessee's use of a portion of the City's waterfront area commonly known as the Otter Berth for docking and berthing Lessee's vessel, the Spirit of Norfolk;

WHEREAS, effective as of March 9, 2020, Spirit Cruises, LLC became known as Hornblower Cruises and Events, LLC;

WHEREAS, because of business challenges faced as a result of the COVID-19 pandemic, Lessee has requested a deferral of rents due to the City pursuant to the Lease; and

WHEREAS, City and Lessee desire to amend the Lease in accordance with the terms and conditions set forth herein.

## AGREEMENT:

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Lease is amended as follows:

1. Fees and Charges. Section 3 of the Lease is hereby modified to allow for the deferment of base rent for the months of April 2020 through July 2020 and September 2020 through March 2021 totaling Thirty-One Thousand Eight Hundred Seventy-Nine and 91/100 Dollars (\$31,879.91) (the "Deferred Rent Payments"). The Deferred Rent Payments shall be payable on first day of each month in equal installments, commencing April 1, 2021 and in accordance with the payment schedule set forth in Exhibit A attached hereto and made a part hereof. All other compensation due to the City under the Lease shall continue to be payable in accordance with the terms of the Lease.

2. Modification; Defined Terms. Except as expressly modified hereby, all terms and conditions of the Lease shall remain in full force and effect. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Lease.

3. Counterparts; Copies. This Amendment may be executed in one or more counterparts and each such counterpart shall be deemed to be an original. All counterparts so

executed shall constitute one instrument and shall be binding on all of the parties to this Amendment notwithstanding that all of the parties are not signatories to the same counterpart. A photocopy of this Amendment signed by the parties shall be binding upon and enforceable by the parties.

4. Conflict. If there is any conflict or inconsistency between the provisions of this Amendment and the Lease, the provisions of this Amendment shall govern and control.

[Signature pages to follow]

[Signature Page to First Amendment to Lease Agreement - City of Norfolk / Hornblower Cruises and Events, LLC – Spirit of Norfolk at Otter Berth]

WITNESS the following signatures and seals:

CITY:

CITY OF NORFOLK,  
a municipal corporation of the Commonwealth of  
Virginia

By: \_\_\_\_\_

Name: Dr. Larry H. Filer II

Title: City Manager

Attest:

\_\_\_\_\_  
City Clerk

Approved as to contents:

\_\_\_\_\_  
Department of Real Estate

Approved as to form and correctness:

\_\_\_\_\_  
Deputy City Attorney

[Signatures continue on next page]

[Continuation of Signature Page to First Amendment to Lease Agreement – City of Norfolk /  
Hornblower Cruises and Events, LLC – Spirit of Norfolk at Otter Berth]

LESSEE:

HORNBLOWER CRUISES AND EVENTS, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment: EX A-tpFirst Amend to Lease Agmt-CON\_Hornblower Cruises Events-Otter Berth-v.1 (003) (1st Amendment to Lease Agmt-



**EXHIBIT A**  
 Deferred Rent Payments  
 Hornblower Cruises – Spirit of Norfolk

Current Payments			Future Payments		
Month	Deferred Rent	Actual Payment	Month	Scheduled Rent	Actual Payment (including Schedule Rent and Deferred Rent Payments)
Apr-20	\$2,851.51	\$0.00	Apr-21	\$2,937.06	\$5,593.72
May-20	\$2,851.51	\$0.00	May-21	\$2,937.06	\$5,593.72
Jun-20	\$2,851.51	\$0.00	Jun-21	\$2,937.06	\$5,593.72
Jul-20	\$2,851.51	\$0.00	Jul-21	\$2,937.06	\$5,593.72
Aug-20	\$0.00	\$2,851.51	Aug-21	\$2,937.06	\$5,593.72
Sep-20	\$2,851.51	\$0.00	Sep-21	\$2,937.06	\$5,593.72
Oct-20	\$2,937.06	\$0.00	Oct-21	\$3,025.17	\$5,681.83
Nov-20	\$2,937.06	\$0.00	Nov-21	\$3,025.17	\$5,681.83
Dec-20	\$2,937.06	\$0.00	Dec-21	\$3,025.17	\$5,681.83
Jan-21	\$2,937.06	\$0.00	Jan-22	\$3,025.17	\$5,681.83
Feb-21	\$2,937.06	\$0.00	Feb-22	\$3,025.17	\$5,681.83
Mar-21	\$2,937.06	\$0.00	Mar-22	\$3,025.17	\$5,681.82
Total Deferred Amount	\$31,879.91				